

ROBERT W. HIRSH,
ROBERT W. HIRSH & ASSOCIATES
8383 Wilshire Boulevard, Suite 510
Beverly Hills, California 90211
Telephone: 310-275-7800; Facsimile: 310-275-4050

LAWRENCE C. FOX
KORNSTEIN, VEISZ, WEXLER & POLLARD, LLP
757 Third Avenue
New York, New York 10017
Telephone: 212-418-8600; Facsimile: 212-826-3640

Attorneys for Defendant Ahava of California, LLC

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----	X
SIGNATURE BANK,	:
	:
	:
Plaintiff,	: 08 Civ. 3893 (NRB)
- against -	:
	:
AHAVA FOOD CORP., LEWIS COUNTY DAIRY	:
CORP., ST. LAWRENCE FOOD CORP. d/b/a PRIMO	:
FOODS, YONI REALTY, LLC, SCHWARTZ AND SONS	:
QUALITY DISTRIBUTORS, INC., MOISE BANAYAN,	:
ANA BANAYAN a/k/a CHANA BANAYAN, REBECCA	:
BANAYAN a/k/a REBECCA BARIMYAN a/k/a	:
REBECCA BANAYAN-LIEBERMAN, FARIBORZ	:
BANAYAN a/k/a AARON BANAYAN, RUBEN	:
BEITYAKOV, ARI KATZ, AHAVA OF CALIFORNIA,	:
LLC d/b/a AHAVA NATIONAL FOOD DISTRIBUTOR	:
and NORTH COUNTRY MANUFACTURING, and JOHN	:
DOE COMPANIES 1 through 10,	:
	:
Defendants.	:
	:
-----	X

**SUPPLEMENTAL DECLARATION OF ROBERT FRIEDBAUER IN OPPOSITION TO
MOTION FOR APPOINTMENT OF RECEIVER AND PRELIMINARY INJUNCTION**

I, Robert Friedbauer, declare:

1. Each fact contained in this declaration is within my personal knowledge, and if called upon to testify as to any matter herein, I could and would competently do so.

2. This declaration supplements my previous declaration filed in opposition to plaintiff Signature Bank's ("the Bank") motion for appointment of a receiver and for issuance of a preliminary injunction.

3. I have been a certified public accountant ("CPA") for approximately 30 years.

4. In my capacity as a CPA, I prepared defendant of Ahava of California, LLC's ("Ahava CA") 2006 tax return ("the Return") and the related K1's for Moise Banayan ("Moise") and Fariborz Banayan ("Fariborz"), true and correct copies of which are collectively attached hereto as Exhibit A.

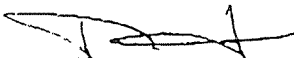
5. As of the time that I had prepared the Return, I had reviewed certain buy out documents reflecting that in or about 2005, Moise sold his membership interest in Ahava CA to Fariborz, and that Moise had the option to repurchase his interest. Based upon these documents, I concluded that for tax purposes, it was appropriate for the Return to identify Moise as a member of Ahava CA and for Ahava CA to issue Moise a K1. Accordingly, I prepared the Return and Moise's K1 to reflect that Moise was a member of Ahava CA for tax purposes, which I advised Ahava CA to sign and file.

6. In preparing the Return, I reviewed Ahava CA's books and records, including its bank records and canceled checks. Ahava CA's books and records reflect that it did not pay Moise any monies in 2006.

7. Line 1 of Part III of Moise's K1 (which is the second to last page of Exhibit A), states,

among other things, that Moise had ordinary business income of \$720.00. This constitutes imputed income to Moise. This \$720.00 was offset by the \$720.00 contained on Line 12 of Part III of Moise's K1. Line 14 of Part III of Moise's K1 states, among other things, that Moise had gross non-farm earnings of \$38,475.00. This figure is 50% of the gross profit before deducting expenses, which is reflected on page 1 of Exhibit A, i.e. Form 1065, Line 8. I caused a K1 to be prepared for Moise for tax purposes only, based upon my view at the time that Moise's right to repurchase his membership interest in Ahava CA required that Ahava CA send him a K1 and list him as an Ahava CA member on the Return.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this declaration was executed in Teaneck, New Jersey on June 3, 2008.



Robert Friedbauer

EXHIBIT A

AHAVA 02/13/2007 12:42 PM

Form 1065 Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2006, or tax year beginning _____, ending _____ ▶ See separate instructions.		OMB No. 1545-0099 2006
A Principal business activity	Use the IRS label. Otherwise, print or type.	Name of partnership AHAVA OF CALIFORNIA LLC	D Employer identification number 95-4846136	
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see the instructions. 908 ROSE AVE.	E Date business started 3/08/2000	
C Business code number		City or town, state, and ZIP code VENICE CA 90291	F Total assets (see the instructions) \$ 115	

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return
H Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☒ Other (specify) ▶
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **2**
J Check if Schedule M-3 required (attach Schedule M-3) ☐

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	378,410	1c	378,410
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)	2		301,460	
	3 Gross profit. Subtract line 2 from line 1c	3		76,950	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4			
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5			
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6			
	7 Other income (loss) (attach statement)	7			
8 Total income (loss). Combine lines 3 through 7	8		76,950		
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9			
	10 Guaranteed payments to partners	10			
	11 Repairs and maintenance	11			
	12 Bad debts	12			
	13 Rent	13		46,425	
	14 Taxes and licenses	14	See Statement 1	2,200	
	15 Interest	15		14,164	
	16a Depreciation (If required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b			
	17 Depletion (Do not deduct oil and gas depletion.)	17			
	18 Retirement plans, etc.	18			
	19 Employee benefit programs	19			
	20 Other deductions (attach statement)	20	See Statement 2	12,720	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		75,509	
	22 Ordinary business income (loss). Subtract line 21 from line 8	22		1,441	
23 Credit for federal telephone excise tax paid (attach Form 8913)	23				

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager

Date

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed	Preparer's SSN or PTIN
ROBERT L. FRIEDBAUER, CPA	2/13/07	<input type="checkbox"/>	153-36-7546
Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	
TEANECK, NJ	22-3205970	201-692-8188	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 1065 (2006)

DAA

885 (2006) AHAVA OF CALIFORNIA LLC

95-4846136

Part A Cost of Goods Sold (see the instructions)		
1	Inventory at beginning of year	
2	Purchases less cost of items withdrawn for personal use	87,605
3	Cost of labor	
4	Additional section 263A costs (attach statement)	213,855
5	Other costs (attach statement)	301,460
6	Total. Add lines 1 through 5	
7	Inventory at end of year	301,460
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ☐

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ☐

c Check this box if the LIFO inventory method was adopted this tax year for any goods (If checked, attach Form 970) ☐ Yes ☐ No

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

Part B Other Information		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input type="checkbox"/> Domestic limited liability company		
d	<input checked="" type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other <input type="checkbox"/>		
2	Are any partners in this partnership also partnerships?		X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see Instructions for required attachment		X
4	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
5	Does this partnership meet all three of the following requirements?		
a	The partnership's total receipts for the tax year were less than \$250,000;		
b	The partnership's total assets at the end of the tax year were less than \$500,000; and		
c	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item N on Schedule K-1.	X	
6	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See the instructions		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		
9	At any time during calendar year 2006, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country: <input type="checkbox"/>		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See the instructions		X
11	Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership in the instructions		X
12	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return <input type="checkbox"/>		

Designation of Tax Matters Partner (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ☐Identifying number of TMP ☐Address of designated TMP ☐

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95-4846136

Page 3

5 (2006) AHAVA OF CALIFORNIA LLC		Partners' Distributive Share Items		Total amount	
		1		1	1,441
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	2			
	2 Net rental real estate income (loss) (attach Form 8825)	3a			
	3a Other gross rental income (loss)	3b			
	b Expenses from other rental activities (attach statement)	3c			
	c Other net rental income (loss). Subtract line 3b from line 3a	4			
	4 Guaranteed payments	5			
	5 Interest income	6a			
	6 Dividends: a Ordinary dividends	6b			
	b Qualified dividends	7			
	7 Royalties	8			
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	9a			
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9b				
b Collectibles (28%) gain (loss)	9c				
c Unrecaptured section 1250 gain (attach statement)	10				
10 Net section 1231 gain (loss) (attach Form 4797)	11				
11 Other income (loss) (see instructions) Type	12			1,441	
Deductions	12 Section 179 deduction (attach Form 4562)	13a			
	13a Contributions	13b			
	b Investment interest expense	13c(2)			
	c Section 59(e)(2) expenditures: (1) Type (2) Amount	13d			
	d Other deductions (see instructions) Type	14a			
Self-Employment	14a Net earnings (loss) from self-employment	14b			
	b Gross farming or fishing income	14c			76,950
	c Gross nonfarm income	15a			
Credits	15a Low-income housing credit (section 42(j)(5))	15b			
	b Low-income housing credit (other)	15c			
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15d			
	d Other rental real estate credits (see instructions) Type	15e			
	e Other rental credits (see instructions) Type	15f			
	f Other credits (see instructions) Type				
Foreign Transactions	16a Name of country or U.S. possession	16b			
	b Gross income from all sources	16c			
	c Gross income sourced at partner level				
	Foreign gross income sourced at partnership level	f General limitation			
	d Passive Listed categories (attach statement)	16f			
	Deductions allocated and apportioned at partner level	16h			
	g Interest expense h Other				
	Deductions allocated and apportioned at partnership level to foreign source income	k General limitation			
	i Passive Listed categories (attach statement)	16k			
	j Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l			
	m Reduction in taxes available for credit (attach statement)	16m			
n Other foreign tax information (attach statement)					
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a			
	b Adjusted gain or loss	17b			
	c Depletion (other than oil and gas)	17c			
	d Oil, gas, and geothermal properties-gross income	17d			
	e Oil, gas, and geothermal properties-deductions	17e			
	f Other AMT items (attach statement)	17f			
		18a			
Other Information	18a Tax-exempt interest income	18b			
	b Other tax-exempt income	18c			
	c Nondeductible expenses	19a			
	19a Distributions of cash and marketable securities	19b			
	b Distributions of other property	20a			
	20a Investment income	20b			
	b Investment expenses				
c Other items and amounts (attach statement)					

Form 1065 (2006)

6	Other current assets (attach statement)			
7	Mortgages and real estate loans			
8	Other investments (attach statement)			
9a	Buildings and other depreciable assets	6,620		
b	Less accumulated depreciation	6,620	0	6,620
10a	Depletable assets			
b	Less accumulated depletion			
11	Land (net of any amortization)			
12a	Intangible assets (amortizable only)			
b	Less accumulated amortization			
13	Other assets (attach statement)			
14	Total assets		1,323	115
Liabilities and Capital				
15	Accounts payable			
16	Mortgages, notes, bonds payable in less than 1 year			
17	Other current liabilities (attach statement)			
18	All nonrecourse loans			
19	Mortgages, notes, bonds payable in 1 year or more			
20	Other liabilities (attach statement)			
21	Partners' capital accounts	47,211		44,062
22	Total liabilities and capital	-45,888	1,323	-44,447
Schedule M-1				

Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books	1,441	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize)		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):		a	Depreciation \$	1,441
a	Depreciation \$			See Statement 4	1,441
b	Travel and entertainment \$		8	Add lines 6 and 7	1,441
5	Add lines 1 through 4	1,441	9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	0
Schedule M-2 Analysis of Partners' Capital Accounts					
1	Balance at beginning of year	-45,888	6	Distributions: a Cash	
2	Capital contributed:		b	Property	
3	Net income (loss) per books	1,441	7	Other decreases (itemize)	
4	Other increases (itemize)		8	Add lines 6 and 7	
5	Add lines 1 through 4	-44,447	9	Balance at end of year. Subtract line 8 from line 5	-44,447

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Form 1065 (2005)

A AHAVA OF CALIFORNIA LLC

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Federal Statements

12/31/2006

Statement 1 - Form 1065, Page 1, Line 14 - Taxes

Description	Amount
NYS CORP TAX	\$ 500
CALIFORNIA STATE TAX	1,700
Total	\$ 2,200

Statement 2 - Form 1065, Page 1, Line 20 - Other Deductions

Description	Amount
TELEPHONE	\$ 7,261
POSTAGE	94
ADVERTISING	775
OFFICE SUPPLIES	485
CONSULTANTS	752
MISCELLANEOUS	1,793
REPAIRS & MAINTENANCE	1,560
Total	\$ 12,720

562

Department of the Treasury
Revenue ServiceDepreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2006

Attachment
Sequence No. 67

See separate instructions. Attach to your tax return.

Identifying number
95-4846136

shown on return

HAVA OF CALIFORNIA LLC

Business or activity to which this form relates

Regular Depreciation

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	108,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	430,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	108,000

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	6,620
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	1,441
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	1,441
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12	13	5,179

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B-Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return, Partnerships and S corporations-see Instr.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2006)

There are no amounts for Page 2

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651106
OMB No. 1545-0099

2006

For calendar year 2006, or tax year beginning _____ ending _____

Part I Information About the Partnership

A Partnership's employer identification number
95-4846136

B Partnership's name, address, city, state, and ZIP code
AHAVA OF CALIFORNIA LLC
908 ROSE AVE.
VENICE CA 90291

C IRS Center where partnership filed return
Ogden, UT 84201-0011

D ☐ Check if this is a publicly traded partnership (PTP)

E ☐ Tax shelter registration number, if any _____

F ☐ Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number
101-66-6870

H Partner's name, address, city, state, and ZIP code
MOISE BANAYAN
51 PARKER BLVD.
MONSEY NY 10952

I ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

J ☒ Domestic partner ☐ Foreign partner

K What type of entity is this partner? **Individual**

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	50.000000 %	50.000000 %
Loss	50.000000 %	50.000000 %
Capital	50.000000 %	50.000000 %

M Partner's share of liabilities at year end:

Nonrecourse	\$
Qualified nonrecourse financing	\$
Recourse	\$ 22,281

N Partner's capital account analysis:

Beginning capital account	\$ -22,945
Capital contributed during the year	\$
Current year increase (decrease)	\$ 720
Withdrawals & distributions	\$
Ending capital account	\$ -22,225

☒ Tax basis ☐ GAAP ☐ Section 704(b) book


☐ Other (explain) _____

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	720		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	18	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
		19	Distributions
12	Section 179 deduction		
	720		
13	Other deductions	20	Other Information
14	Self-employment earnings (loss)		
C	38,475		

* See attached statement for additional information.

For IRS Use Only



For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1085.

Schedule K-1 (Form 1085) 2006

DAA

Form 1065

Schedule K-1

1065

Department of the Treasury
Internal Revenue Service

2006

For calendar year 2006, or tax

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

95-4846136

B Partnership's name, address, city, state, and ZIP code

AHAVA OF CALIFORNIA LLC

908 ROSE AVE.
VENICE

CA 90291

C IRS Center where partnership filed return

Ogden, UT 84201-0011

D ☐ Check if this is a publicly traded partnership (PTP)E ☐ Tax shelter registration number, if anyF ☐ Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number

143-64-5175

H Partner's name, address, city, state, and ZIP code

BANAYAN FARIBORZ

908 ROSE AVE.
VENICE

CA 90291

I ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
memberJ ☒ Domestic partner☐ Foreign partner

K What type of entity is this partner? Individual

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	50.000000 %	50.000000 %
Loss	50.000000 %	50.000000 %
Capital	50.000000 %	50.000000 %

M Partner's share of liabilities at year end:

Nonrecourse	\$
Qualified nonrecourse financing	\$
Recourse	\$ 22,281

N Partner's capital account analysis:

Beginning capital account	\$ -22,943
Capital contributed during the year	\$
Current year increase (decrease)	\$ 721
Withdrawals & distributions	\$
Ending capital account	\$ -22,222

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

Form K-1

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	721		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
	721		
13	Other deductions		
14	Self-employment earnings (loss)		
	38,475		

* See attached statement for additional information.

For IRS Use Only



For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2006

DAA